

CHAPTER 1126

PARI-MUTUEL RACING AND GAMBLING GAMES

S.F. 2362

AN ACT relating to pari-mutuel racetracks, including by providing for live dog racing at pari-mutuel dog racetracks, providing for alternative licensure for dog racetracks, and establishing fees, and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 99D.2, subsection 9, Code 2014, is amended to read as follows:

9. “*Racetrack enclosure*” means all real property utilized for the conduct of a race meeting, including the racetrack, grandstand, concession stands, offices, barns, kennels and barn areas, employee housing facilities, parking lots, and any additional areas designated by the commission. “*Racetrack enclosure*” also means all real property utilized by a licensee under this chapter who is not required to conduct live racing pursuant to the requirements of section 99D.9A, on which pari-mutuel wagering on simultaneously telecast horse or dog races may be conducted and lawful gambling is authorized and licensed as provided in this chapter and chapter 99F.

Sec. 2. **NEW SECTION. 99D.9A Dog racetrack licensure — discontinuance of live racing requirement — fees.**

1. Upon written notification to the commission by September 1, 2014, and agreement to comply with the requirements of this section, a licensee authorized to conduct pari-mutuel wagering at a dog racetrack and to conduct gambling games pursuant to section 99F.6 as of January 1, 2014, may, as of the live racing cessation date, continue to maintain a license as provided in this section for purposes of conducting gambling games and pari-mutuel wagering on simultaneously telecast horse or dog races without the requirement of scheduling performances of live races at the dog racetrack. For purposes of this section, the “live racing cessation date” is October 31, 2014, for the licensee of the pari-mutuel dog racetrack located in Dubuque county, and December 31, 2015, for the licensee of the pari-mutuel dog racetrack located in Pottawattamie county.

2. Upon the live racing cessation date of a licensee, all of the following shall occur:

a. The commission shall determine what portion of the unexpended moneys in the dog racing promotion fund created in section 99D.12 is attributable to the licensee as of the live racing cessation date of the licensee and shall transfer those moneys to the Iowa greyhound pari-mutuel racing fund created in section 99D.9B.

b. Any agreement which was approved by the commission for dog purse supplement payments for live racing by the licensee shall be terminated.

c. Within thirty days after the live racing cessation date of the licensee of the pari-mutuel dog racetrack located in Pottawattamie county, the kennel owners and operators and greyhound owners shall, at their expense, remove all of their property including the greyhounds from the racetrack.

3. a. To maintain a license under this chapter to conduct gambling games and pari-mutuel wagering on simultaneously telecast horse or dog races without the requirement of scheduling performances of live dog races, or to maintain a license under section 99F.4A, subsection 9, the licensee as of the date a payment under this subsection is due shall ensure payment of the live racing cessation fee to the commission for deposit in the Iowa greyhound pari-mutuel racing fund created in section 99D.9B, as required by this subsection.

b. Except as provided in paragraph “c”, the live racing cessation fee shall be paid and determined as follows:

(1) For the licensee authorized to conduct gambling games in Dubuque county pursuant to a license issued pursuant to section 99F.4A, subsection 9, the payment of one million dollars by January 1, 2015, and one million dollars each succeeding January 1 for six consecutive calendar years.

(2) For the pari-mutuel dog racetrack located in Pottawattamie county, the payment of nine million two hundred eighty-five thousand eight hundred dollars by January 1, 2016, and nine

million two hundred eighty-five thousand seven hundred dollars each succeeding January 1 for six consecutive calendar years. Payments required under this subparagraph shall be made by the manager of the pari-mutuel racetrack located in Pottawattamie county for deposit in the Iowa greyhound pari-mutuel racing fund created in section 99D.9B, as required by this subsection.

c. (1) If the licensee at the pari-mutuel racetrack located in Pottawattamie county as of January 1, 2014, fails to have the licensee's license renewed, the licensee's obligation and any obligation of the manager of the racetrack to make any further payments as provided in this subsection shall cease. However, the commission shall not issue a license to a subsequent or successor licensee at the pari-mutuel racetrack located in Pottawattamie county until all remaining unpaid installments of the live racing cessation fee required under this subsection are paid.

(2) If the licensee issued a license under section 99F.4A, subsection 9, fails to have the license renewed, the licensee's obligation to make any further payments as provided in this subsection shall cease. However, the commission shall not issue a license to a subsequent or successor licensee under section 99F.4A, subsection 9, until all remaining installments of the live racing cessation fee required under this subsection are paid.

(3) If the manager of the pari-mutuel racetrack located in Pottawattamie county as of January 1, 2014, pursuant to a management contract with the licensee, ceases to be the manager of the racetrack, the licensee's obligation and any obligation of the manager of the racetrack to make any further payments as provided in this subsection shall cease. However, the commission shall not approve a management contract with the licensee for a subsequent or successor manager until all remaining installments of the live racing cessation fee required under this subsection are paid.

4. Upon written notification to the commission by the licensee of the pari-mutuel dog racetrack located in Dubuque county as provided in subsection 1, all of the following shall occur:

a. The licensee shall be authorized to maintain a license issued to the licensee by the commission to conduct gambling games pursuant to the requirements of section 99F.4A, subsection 9.

b. The licensee shall maintain a license under this chapter until December 31, 2014. The licensee shall, until the live racing cessation date of the licensee, conduct pari-mutuel wagering on live dog races and shall, until December 31, 2014, be authorized to simultaneously telecast horse or dog races as provided by an agreement to conduct live racing during the 2014 calendar year.

5. a. The licensee of the pari-mutuel dog racetrack located in Pottawattamie county who is not required to conduct live racing pursuant to the requirements of this section shall do all of the following:

(1) Remain licensed under this chapter and pursuant to section 99F.4A as a pari-mutuel dog racetrack licensed to conduct gambling games and pari-mutuel wagering on simultaneously telecast horse or dog races.

(2) Continue to pay the annual license fee and regulatory fee as a pari-mutuel dog racetrack licensed to conduct gambling games pursuant to the requirements of section 99F.4A.

(3) Comply with all other applicable requirements of this chapter and chapter 99F except for those requirements concerning live dog racing.

b. However, nothing in this chapter shall require the licensee of the pari-mutuel dog racetrack in Pottawattamie county to conduct pari-mutuel wagering on simultaneously telecast horse or dog races to remain licensed under this chapter or to conduct gambling games without the requirement of scheduling performances of live dog races.

6. a. Compliance with the requirements of this section and the establishment of the Iowa greyhound pari-mutuel racing fund in section 99D.9B shall constitute a full satisfaction of and discharge from any and all liability or potential liability of a licensee authorized to conduct gambling games in Dubuque county pursuant to section 99F.4A, subsection 9, the licensee of the pari-mutuel dog racetrack located in Pottawattamie county, and the Iowa greyhound association which may arise out of either of the following:

(1) The discontinuance of live dog racing or simulcasting.

(2) Distributions made or not made from the Iowa greyhound pari-mutuel racing fund created in section 99D.9B or the purse escrow fund created in the arbitration decision issued in December 1995 with regard to the purse supplements to be paid at the pari-mutuel dog racetrack in Pottawattamie county.

b. Compliance with the requirements of this section and establishment of the Iowa greyhound pari-mutuel racing fund in section 99D.9B shall immunize a licensee authorized to conduct gambling games in Dubuque county pursuant to a license issued pursuant to section 99F.4A, subsection 9, the licensee of the pari-mutuel dog racetrack located in Pottawattamie county, and the Iowa greyhound association and their respective officers, directors, employees, board members, and agents against claims of liability as described in paragraph “a” made by any person or entity.

Sec. 3. NEW SECTION. 99D.9B Iowa greyhound pari-mutuel racing fund.

1. An Iowa greyhound pari-mutuel racing fund is created in the state treasury under the control of the racing and gaming commission.

2. The fund shall consist of all of the following:

a. Moneys in the dog racing promotion fund created in section 99D.12 that were deposited in the fund from a dog racetrack licensee that is no longer required to conduct live dog races pursuant to section 99D.9A.

b. Moneys deposited in the fund from the live racing cessation fee established in section 99D.9A.

3. a. Fifty percent of the moneys deposited in the fund shall first be distributed to the Iowa greyhound association for deposit in the escrow account established by the Iowa greyhound association pursuant to the requirements of section 99D.9C, provided the Iowa greyhound association is licensed under this chapter to conduct pari-mutuel wagering on live dog races or simultaneously telecast horse or dog races pursuant to the requirements of section 99D.9C, by December 15, 2014.

b. Moneys remaining in the fund following distribution to the Iowa greyhound association as provided in this subsection shall be under the sole control of the commission. The commission shall determine the method by which moneys remaining in the fund will be distributed provided, however, that the commission shall distribute a portion of the moneys in the fund to no-kill animal adoption agencies to facilitate care for and adoption of greyhounds no longer racing as a result of the discontinuance of live racing. The commission may consider objective evidence, including purse payments to greyhound industry participants for the period beginning January 1, 2010, and ending December 31, 2014, in determining the method of distribution. The commission may hire an expert to assist in the task of making distributions from the fund. The commission may distribute moneys from the fund to greyhound industry participants and to kennel owners and operators and greyhound owners for costs incurred in removing property from the dog racetrack located in Pottawattamie county as required by section 99D.9A, subsection 2, paragraph “c”. Prior to adoption of any formula for distribution, the commission shall allow for input from greyhound industry participants. The distribution decisions of the commission shall be final. The commission may use moneys in the fund to pay its direct and indirect administrative expenses incurred in administering the fund, including the hiring of experts to assist in the commission’s distribution determination. Members of the commission, employees of the commission, and any experts hired by the commission pursuant to this section shall be held harmless against any claim of liability made by any person arising out of the distribution of moneys from the fund by the commission.

4. Section 8.33 does not apply to moneys in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

5. The commission shall adopt rules to administer this section.

Sec. 4. NEW SECTION. 99D.9C Alternative dog racetrack and simulcasting licensure — live racing — lease agreement with gambling games licensee.

1. a. The Iowa greyhound association may submit an application to the commission for a license under this chapter to conduct pari-mutuel wagering on live dog races or

simultaneously telecast horse or dog races, subject to the requirements of this section. Unless inconsistent with the requirements of this section, the Iowa greyhound association shall comply with all requirements for submitting an application for a license under this chapter. If an application is submitted by October 1, 2014, the commission shall, subject to the requirements of section 99D.9 and this section, determine whether to approve the application for a license by December 1, 2014.

b. If the commission approves an application for a license submitted by the Iowa greyhound association pursuant to section 99D.9 and this section, the terms and conditions of the license shall, notwithstanding any provision of law to the contrary, authorize the licensee to conduct pari-mutuel wagering on live dog races or simultaneously telecast horse or dog races conducted at a racetrack enclosure located in Dubuque county subject to the requirements of a lease agreement entered into pursuant to the requirements of this section. The terms and conditions of the license shall also authorize the licensee to conduct pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of a licensee authorized to conduct gambling games under chapter 99F pursuant to an agreement with the licensee of that facility as authorized by this section. A licensee issued a license pursuant to this section shall comply with all requirements of this chapter applicable to licensees unless otherwise inconsistent with the provisions of this section.

2. a. The Iowa greyhound association shall establish an escrow fund under its control for the receipt and deposit of moneys transferred to the Iowa greyhound association pursuant to section 99D.9B. The Iowa greyhound association shall use moneys in the escrow fund to pay all reasonable and necessary costs and fees associated with conducting live racing and pari-mutuel wagering on simultaneously telecast horse or dog races, including but not limited to regulatory and administrative fees, capital improvements, purse supplements, operational costs, obligations pursuant to any purse supplement agreement as amended and approved by the commission, payment of rents for leased facilities and costs of maintenance of leased facilities, payment for products and services provided by the licensee authorized to conduct gambling games in Dubuque county pursuant to section 99F.4A, subsection 9, costs to maintain the license, costs for posting a bond as required by section 99D.10, and administrative costs and fees incurred in connection with the pursuit of the continuation of live greyhound racing.

b. However, if the Iowa greyhound association is not licensed to conduct pari-mutuel wagering on live dog races or simultaneously telecast horse or dog races subject to the requirements of this section or fails to conduct live dog racing during any calendar year beginning on or after January 1, 2015, the Iowa greyhound association shall transfer any unused moneys in the escrow fund to the commission for deposit in the Iowa greyhound pari-mutuel racing fund created in section 99D.9B and shall receive no further distributions from the fund created in section 99D.9B. The commission shall require that an annual audit be conducted and submitted to the commission, in a manner determined by the commission, concerning the operation of the escrow fund.

3. a. A license issued pursuant to this section shall authorize the licensee to enter into an agreement with any licensee authorized to operate an excursion gambling boat or gambling structure under chapter 99F to conduct, without the requirement to conduct live horse or dog races at the facility, pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of the licensee authorized to operate an excursion gambling boat or gambling structure under chapter 99F.

b. If a lease agreement entered into with the city of Dubuque pursuant to this section is terminated or is not renewed or extended, the licensee authorized to conduct gambling games in Dubuque county pursuant to a license issued pursuant to section 99F.4A, subsection 9, shall be authorized to enter into an agreement with a licensee issued a license pursuant to this section to conduct pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of the licensee as provided by this subsection.

c. If the Iowa greyhound association is licensed as provided in this section and ceases to conduct live dog racing, all revenue generated from an agreement to simultaneously telecast horse or dog races as authorized by this subsection shall be used solely for the purpose of supplementing Iowa-whelped dogs racing at out-of-state facilities.

4. a. Upon written request by the Iowa greyhound association to the city of Dubuque by July 8, 2014, the city of Dubuque shall be authorized to enter into an initial five-year lease agreement with a single option to renew the lease for an additional five years with the Iowa greyhound association beginning January 1, 2015, to permit the Iowa greyhound association to conduct pari-mutuel wagering on live dog races and simultaneously telecast horse or dog races at the dog racetrack located in Dubuque county. The lease agreement shall be contingent upon the Iowa greyhound association obtaining a license pursuant to the requirements of this section.

b. The lease agreement shall provide for the following:

(1) An annual lease payment of one dollar during the initial five-year lease for the racetrack enclosure, which includes the racetrack, kennels, grandstand, and space for a new simulcast facility, and one five-year renewal of the lease agreement at a fair market rental rate.

(2) Employees at the racetrack enclosure involved in pari-mutuel wagering as of the live racing cessation date, as provided in section 99D.9A, shall be offered employment by the Iowa greyhound association at the racetrack.

(3) Existing collective bargaining agreements concerning employees at the racetrack shall be honored.

(4) Live dog racing requirements. The requirements shall provide that the Iowa greyhound association conduct, for calendar year 2015, no fewer than sixty live race days with nine live races per day during the racing season, and for calendar year 2016 and subsequent calendar years covered by the lease agreement, no fewer than ninety-five live race days with nine live races per day during each racing season. However, upon mutual agreement by the parties subject to approval by the commission, the number of race days for one or more live racing seasons may be reduced so long as the Iowa greyhound association conducts a minimum number of live races and racing days during that season.

(5) Termination provisions, to include termination of the agreement on January 1 of the year following the calendar year in which live dog racing as required by the agreement was not conducted by the Iowa greyhound association.

(6) Terms concerning contracts entered into for the conduct of pari-mutuel wagering at the racetrack prior to the live racing cessation date, as provided in section 99D.9A, at the racetrack.

(7) Any other related items concerning the conduct of pari-mutuel wagering at the dog racetrack and the operation of the dog racetrack facility.

c. (1) If the parties are unable to reach agreement on any of the terms of the initial lease agreement by October 1, 2014, or to reach agreement on the fair market rental rate for purposes of the one five-year lease renewal by June 30, 2018, if the Iowa greyhound association requests arbitration concerning the renewal by June 18, 2018, the disputed terms of the lease shall be determined by binding arbitration in accordance with the rules of the American arbitration association as of the date for arbitration. A request for arbitration shall be in writing and a copy of the request shall be delivered to the other party. The parties shall each select one arbitrator and the two arbitrators shall choose a third arbitrator to complete the three-person arbitration panel. Each party shall deliver its final offer on each of the disputed items to the other party within fourteen days after the request for arbitration. After consultation with the parties, the arbitrators shall set a time and place for an arbitration hearing. The parties may continue to negotiate all offers until an agreement is reached or a decision is rendered by the arbitrators. For purposes of determining the fair market rental rate for purposes of the one five-year lease renewal, either party may argue, and present arguments and evidence, that the renewal lease rental rate should be based upon the market value of similarly situated undeveloped land, or upon its use as a greyhound track. The submission of the disputed items to the arbitrators shall be limited to those items upon which the parties have not reached agreement. However, the arbitrators shall have no authority to extend the term of the lease agreement beyond the initial five-year term or the one five-year renewal.

(2) The arbitrators shall render a decision within fifteen days after the hearing. The arbitrators shall give written explanation for the decision and the decision of the arbitrators shall be final and binding on the parties, and any decision of the arbitrators may be entered in any court having competent jurisdiction. The decision by the arbitrators and the items

agreed upon by the parties shall be deemed to be the lease agreement between the parties and such final lease agreement shall not be subject to the approval of the governing body of the city of Dubuque, the Iowa greyhound association, the commission, or any other government body. Each party to the arbitration shall bear its own expenses, including attorney fees, and the parties shall share equally the filing and other administrative fees of the American arbitration association and the expenses of the arbitrators.

Sec. 5. Section 99D.10, Code 2014, is amended to read as follows:

99D.10 Bond of licensee.

A licensee licensed under section 99D.9, including a licensee issued a license subject to the requirements of section 99D.9C, shall post a bond to the state of Iowa before the license is issued in a sum as the commission shall fix, with sureties to be approved by the commission. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its racing in conformity with sections 99D.6 through 99D.23 and the rules adopted by the commission. The bond shall not be canceled by a surety on less than thirty days' notice in writing to the commission. If a bond is canceled and the licensee fails to file a new bond with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

Sec. 6. Section 99D.11, subsection 6, paragraph b, Code 2014, is amended to read as follows:

b. (1) The commission may authorize the licensee to simultaneously telecast within the racetrack enclosure or at the facility of a licensee authorized to operate an excursion gambling boat or gambling structure under chapter 99F, for the purpose of pari-mutuel wagering, a horse or dog race licensed by the racing authority of another state. It is the responsibility of each licensee to obtain the consent of appropriate racing officials in other states as required by the federal Interstate Horseracing Act of 1978, 15 U.S.C. § 3001 – 3007, to televise races for the purpose of conducting pari-mutuel wagering.

(2) A licensee may also obtain the permission of a person licensed by the commission to conduct horse or dog races in this state to televise races conducted by that person for the purpose of conducting pari-mutuel racing wagering. However, arrangements made by a licensee to televise any race for the purpose of conducting pari-mutuel wagering are subject to the approval of the commission, and the commission shall select the races to be televised. The races selected by the commission shall be the same for all licensees approved by the commission to televise races for the purpose of conducting pari-mutuel wagering. The Except for a licensee that is not obligated to schedule performances of live races pursuant to section 99D.9A, or a licensee issued a license subject to the requirements of section 99D.9C, the commission shall not authorize the simultaneous telecast or televising of and a licensee shall not simultaneously telecast or televise any horse or dog race for the purpose of conducting pari-mutuel wagering unless the simultaneous telecast or televising is done at the racetrack of a licensee that schedules no less than sixty performances of nine live races each day of the season.

(3) For purposes of the taxes imposed under this chapter, races televised by a licensee for purposes of pari-mutuel wagering shall be treated as if the races were held at the racetrack of by the licensee. Notwithstanding any contrary provision in this chapter, the commission may allow a licensee to adopt the same deductions as those of the pari-mutuel racetrack from which the races are being simultaneously telecast.

Sec. 7. Section 99D.20, Code 2014, is amended to read as follows:

99D.20 Audit of licensee operations.

Within ninety days after the end of each calendar year, the licensee, including a licensee issued a license subject to the requirements of section 99D.9C, shall transmit to the commission an audit of the financial transactions and condition of the licensee's operations conducted under this chapter. Additionally, within ninety days after the end of the licensee's fiscal year, the licensee shall transmit to the commission an audit of the licensee's total

racing and gaming operations, including an itemization of all expenses and subsidies. All audits shall be conducted by certified public accountants authorized to practice in the state of Iowa under chapter 542 who are selected by the board of supervisors of the county in which the licensee operates.

Sec. 8. Section 99F.1, subsection 21, Code 2014, is amended to read as follows:

21. “*Racetrack enclosure*” means all real property utilized for the conduct of a race meeting, including the racetrack, grandstand, concession stands, offices, barns, kennels and barn areas, employee housing facilities, parking lots, and any additional areas designated by the commission. “*Racetrack enclosure*” also means all real property utilized by a licensee under chapter 99D who is not required to conduct live racing pursuant to the requirements of section 99D.9A, on which pari-mutuel wagering on simultaneously telecast horse or dog races may be conducted and lawful gambling is authorized and licensed as provided in this chapter.

Sec. 9. Section 99F.4A, subsections 1, 2, 3, and 5, Code 2014, are amended to read as follows:

1. Upon application, the commission shall license the licensee of a pari-mutuel dog or horse racetrack to ~~operate~~ conduct gambling games at a pari-mutuel racetrack enclosure subject to the provisions of this chapter and rules adopted pursuant to this chapter relating to gambling except as otherwise provided in this section.

2. A license to ~~operate~~ conduct gambling games shall be issued only to a licensee holding a valid license to conduct pari-mutuel dog or horse racing pursuant to chapter 99D on January 1, 1994.

3. A person holding a valid license pursuant to chapter 99D to conduct pari-mutuel wagering at a dog or horse racetrack is exempt from further investigation and examination for licensing to ~~operate a~~ conduct gambling ~~game~~ games pursuant to this chapter. However, the commission may order future investigations or examinations as the commission finds appropriate.

5. In lieu of the annual license fee specified in section 99F.5, the annual license fee for ~~operating~~ conducting gambling games at a pari-mutuel racetrack shall be one thousand dollars.

Sec. 10. Section 99F.4A, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 9. *a.* Upon application, the commission shall issue a license to the licensee of the pari-mutuel dog racetrack located in Dubuque county as of the effective date of this provision of this Act to conduct gambling games at a gambling structure subject to the provisions of this chapter and rules adopted pursuant to this chapter relating to gambling. The licensee shall not be required to pay any additional fees or be assessed any additional costs for issuance of the license pursuant to this subsection and shall be exempt, for purposes of the initial issuance of a license under this subsection, from further investigation and examination for a license to conduct gambling games pursuant to this chapter.

b. To maintain a license pursuant to this subsection on or after July 1, 2014, the licensee shall provide written notification to the commission by September 1, 2014, as provided in section 99D.9A, subsection 1, pay the live racing cessation fee as provided in section 99D.9A, and otherwise comply with the requirements of section 99D.9A applicable to the licensee. In addition, the licensee shall pay the annual license fee as specified in section 99F.5 and regulatory fee as a licensee of a gambling structure and shall otherwise be required to comply with all requirements of this chapter applicable to a gambling games licensee not otherwise inconsistent with the requirements of this subsection.

Sec. 11. Section 99F.6, subsection 4, paragraph b, Code 2014, is amended to read as follows:

b. (1) The commission shall authorize the ~~licensees~~ licensee of the ~~pari-mutuel dog racetracks~~ racetrack located in Dubuque county and ~~Black Hawk county~~ to conduct gambling games as provided in section 99F.4A if the ~~licensees schedule~~ licensee schedules at least one hundred thirty performances of twelve live races each day during a season of twenty-five weeks. For the pari-mutuel dog racetrack located in Pottawattamie county, the

commission shall authorize the licensee to conduct gambling games as provided in section 99F.4A if the licensee schedules at least two hundred ninety performances of twelve live races each day during a season of fifty weeks. The However, the requirement to schedule performances of live races for purposes of conducting gambling games under this chapter shall not apply to a licensee as of the live racing cessation date of the licensee as provided in section 99D.9A.

(2) If a pari-mutuel dog racetrack authorized to conduct gambling games as of January 1, 2014, is required to schedule performances of live races for purposes of conducting gambling games under this chapter during any calendar year, the commission shall approve an annual contract to be negotiated between the annual recipient of the dog racing promotion fund and each dog racetrack licensee to specify the percentage or amount of gambling game proceeds which shall be dedicated to supplement the purses of live dog races. The parties shall agree to a negotiation timetable to insure no interruption of business activity. If the parties fail to agree, the commission shall impose a timetable. If the two parties cannot reach agreement, each party shall select a representative and the two representatives shall select a third person to assist in negotiating an agreement. The two representatives may select the commission or one of its members to serve as the third party. Alternately, each party shall submit the name of the proposed third person to the commission who shall then select one of the two persons to serve as the third party. All parties to the negotiations, including the commission, shall consider that the dog racetracks were built to facilitate the development and promotion of Iowa greyhound racing dogs in this state and shall negotiate and decide accordingly.

Sec. 12. TRANSITION PROVISIONS — PURSE SUPPLEMENTS. The annual contract under section 99F.6, subsection 4, paragraph “b”, specifying the percentage or amount of gambling game proceeds which shall be dedicated to supplement the purses of live dog races conducted during the calendar year beginning January 1, 2014, at the pari-mutuel dog racetrack located in Pottawattamie county shall be extended to apply to live dog races conducted at the dog racetrack located in Pottawattamie county during the calendar year beginning January 1, 2015.

Sec. 13. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this Act enacting section 99F.4A, subsection 9.

Approved May 30, 2014